

106TH CONGRESS
2D SESSION

H. R. 3615

To amend the Rural Electrification Act of 1936 to ensure improved access to the signals of local television stations by multichannel video providers to all households which desire such service in unserved and underserved rural areas by December 31, 2006.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2000

Mr. GOODLATTE (for himself, Mr. BOUCHER, Mr. BAKER, Mrs. EMERSON, Mrs. CAPPS, Mrs. BONO, Mr. OBERSTAR, Mr. EWING, Mr. GILCHREST, Mr. METCALF, Mr. QUINN, Mr. BASS, Mr. LATHAM, Mr. KILDEE, Mr. PHELPS, Mr. MCINNIS, Mr. RAHALL, Mr. BUYER, Mr. WATKINS, Mr. FROST, Mr. BALDACCI, Mr. GOODE, Mr. PETERSON of Minnesota, Mr. HINCHEY, Mr. BOYD, Mr. WALDEN of Oregon, Mr. OLVER, Mr. FLETCHER, Mr. COLLINS, Mr. THORNBERRY, Mrs. CUBIN, Mr. NETHERCUTT, Mr. WICKER, Mr. LAHOOD, Mr. BOEHLERT, Mr. GOODLING, Mr. HERGER, Mr. NUSSLE, Mr. RADANOVICH, Mr. EHRLICH, Mr. HASTINGS of Washington, Mr. THUNE, Mr. COOKSEY, Mr. HILLEARY, Mrs. FOWLER, Mr. BONILLA, Mr. BALLENGER, Mr. SKEEN, Mr. SHIMKUS, Mr. PICKERING, Mr. ADERHOLT, Mr. SHERWOOD, Mr. UPTON, Mr. HAYES, Mr. PETERSON of Pennsylvania, Mr. SMITH of Texas, Mr. VITTER, Mr. JENKINS, Mr. TAUZIN, Mr. RILEY, Mr. CANADY of Florida, Mr. BARTLETT of Maryland, Mr. ISAKSON, Mr. CHAMBLISS, Mr. BARRETT of Nebraska, Mr. GANSKE, Mr. BISHOP, Mr. THOMAS, Mr. OXLEY, Mr. GOSS, Mr. JONES of North Carolina, Mr. DOOLITTLE, Mr. POMBO, Mr. WAMP, Mr. DUNCAN, Mr. NORWOOD, Mrs. CHENOWETH-HAGE, Mr. DAVIS of Virginia, Mr. DICKEY, Mr. EHLERS, Mr. LEWIS of Kentucky, Mr. WELLER, Mr. FOLEY, Mr. HUTCHINSON, Mr. SMITH of Michigan, Mr. GEKAS, Mr. HOUGHTON, Mr. REYNOLDS, Mr. PORTMAN, Mr. TRAFICANT, Mr. SCHAFER, Mr. THOMPSON of California, Mr. MINGE, Mrs. CLAYTON, Mr. SHOWS, Mr. SISISKY, Mr. BRYANT, Mr. WALSH, Mr. MCHUGH, Mrs. JOHNSON of Connecticut, Mr. BEREUTER, Mr. ROGERS, Mr. FARR of California, Mr. KIND, and Mr. HILL of Montana) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committees on Commerce, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Rural Electrification Act of 1936 to ensure improved access to the signals of local television stations by multichannel video providers to all households which desire such service in unserved and underserved rural areas by December 31, 2006.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Local Broadcast
5 Signal Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) In 1936, most of the rural United States
9 did not have access to electrical service enjoyed by
10 the rest of the United States, and this lack of elec-
11 trical service inhibited economic development in the
12 rural areas of the United States.

13 (2) In response to this lack of service, Congress
14 enacted the Rural Electrification Act of 1936 (also
15 known as the Norris-Rayburn Rural Electrification
16 Act) which established the Rural Electric Adminis-
17 tration to ensure that all Americans have access to
18 electrical service and to promote rural development.

19 (3) The program under the Rural Electrifica-
20 tion Act of 1936 has successfully brought electricity

1 to all parts of the rural United States and has stim-
2 ulated rural development throughout the United
3 States.

4 (4) In 1949, most of the rural United States
5 did not have access to telephone service enjoyed by
6 the rest of the United States, and this lack of elec-
7 trical service inhibited economic development in the
8 rural areas of the United States.

9 (5) In response to this lack of service, Congress
10 amended the Rural Electrification Act of 1936 to as-
11 sure that the rural United States has access to tele-
12 communications services, including telephone serv-
13 ices, distance learning, and telemedicine in order to
14 promote rural development.

15 (6) The programs under these amendments
16 have successfully brought telecommunications to all
17 parts of the United States and has stimulated rural
18 development throughout the United States.

19 (7) Public Law 93–32 amended the Rural Elec-
20 trification Act of 1936 to establish a revolving fund
21 for insured and guaranteed loans.

22 (8) The reorganization of the Department of
23 Agriculture by Public Law 103–354 created the
24 Rural Utilities Service (RUS) within the Depart-
25 ment of Agriculture and assigned it the responsi-

1 bility for administering programs of federally-guar-
2 anteed loans.

3 (9) The Rural Utilities Service now manages a
4 portfolio of federally-guaranteed loans in excess of
5 \$42,000,000,000.

6 (10) The Rural Utilities Service has granted
7 loans for the purpose of telecommunications services
8 to more than 800 borrowers, including telephone and
9 electricity cooperatives, in all States of the United
10 States.

11 (11) Local television coverage is vitally impor-
12 tant for rural development efforts.

13 (12) Local television programming broadcasts
14 crop reports, local news, weather reports, public
15 service announcements, and advertisements by local
16 businesses, all of which are important for rural de-
17 velopment.

18 (13) In today's age of modern communications,
19 rural communities often receive the majority of their
20 information from satellite platforms.

21 (14) The rest of the United States, including
22 most of the rural United States, is not able to re-
23 ceive local television signals via satellite.

1 (15) Without access to local television signals,
 2 the development of the rural United States is greatly
 3 inhibited.

4 (16) Just as important public purposes were
 5 served by bringing electricity to the rural United
 6 States and then by bringing telephone service to the
 7 rural United States, so the United States would be
 8 served by ensuring that the rural United States can
 9 receive local television signals via satellite.

10 (17) It is in the public interest that the Rural
 11 Utilities Service of the Department of Agriculture
 12 utilize existing and new loan guarantee programs to
 13 promote rural development by ensuring that the
 14 rural United States has access to the signals of local
 15 television stations by multichannel video providers.

16 **SEC. 3. RURAL LOCAL TELEVISION SIGNALS.**

17 The Rural Electrification Act of 1936 (7 U.S.C. 901
 18 et seq.) is amended by adding at the end the following:

19 **“TITLE VI—RURAL LOCAL**
 20 **TELEVISION SIGNALS**

21 **“SEC. 501. DEFINITIONS.**

22 “In this title:

23 “(1) ADMINISTRATOR.—The term ‘Adminis-
 24 trator’ means the Administrator of the Rural Utili-
 25 ties Service.

1 “(2) AFFILIATE.—The term ‘affiliate’ means
2 any person or entity that controls, or is controlled
3 by, or is under common control with, another person
4 or entity.

5 “(3) BORROWER.—The term ‘borrower’ means
6 any person or entity receiving a loan guarantee
7 under this title.

8 “(4) COST.—

9 “(A) IN GENERAL.—The term ‘cost’ means
10 the estimated long-term cost to the Government
11 of a loan guarantee or modification thereof, cal-
12 culated on a net present value basis, excluding
13 administrative costs and any incidental effects
14 on governmental receipts or outlays.

15 “(B) LOAN GUARANTEES.—For purposes
16 of this paragraph the cost of a loan
17 guarantee—

18 “(i) shall be the net present value, at
19 the time when the guaranteed loan is dis-
20 bursed, of the estimated cash flows of—

21 “(I) payments by the Govern-
22 ment to cover defaults and delin-
23 quencies, interest subsidies, or other
24 payments; and

1 “(II) payments to the Govern-
2 ment, including origination and other
3 fees, penalties, and recoveries; and

4 “(ii) shall include the effects of
5 changes in loan terms resulting from the
6 exercise by the guaranteed lender of an op-
7 tion included in the loan guarantee con-
8 tract, or by the borrower of an option in-
9 cluded in the guaranteed loan contract.

10 “(C) COST OF MODIFICATION.—The cost
11 of the modification shall be the difference be-
12 tween the current estimate of the net present
13 value of the remaining cash flows under the
14 terms of a loan guarantee contract, and the
15 current estimate of the net present value of the
16 remaining cash flows under the terms of the
17 contract, as modified.

18 “(D) DISCOUNT RATE.—In estimating net
19 present value, the discount rate shall be the av-
20 erage interest rate on marketable Treasury se-
21 curities of similar maturity to the cash flows of
22 the guarantee for which the estimate is being
23 made.

24 “(E) FISCAL YEAR ASSUMPTIONS.—When
25 funds of a loan guarantee under this title are

1 obligated, the estimated cost shall be based on
2 the current assumptions, adjusted to incor-
3 porate the terms of the loan contract, for the
4 fiscal year in which the funds are obligated.

5 “(5) CURRENT.—The term ‘current’ has the
6 meaning given that term in section 250(c)(9) of the
7 Balanced Budget and Emergency Deficit Control
8 Act of 1985.

9 “(6) DESIGNATED MARKET AREA.—The term
10 ‘designated market area’ has the meaning given that
11 term in section 122(j) of title 17, United States
12 Code.

13 “(7) LOAN GUARANTEE.—The term ‘loan guar-
14 antee’ means any guarantee, insurance, or other
15 pledge with respect to the payment of all or part of
16 the principal or interest on any debt obligation of a
17 non-Federal borrower to the Federal Financing
18 Bank or a non-Federal lender, but does not include
19 the insurance of deposits, shares, or other
20 withdrawable accounts in financial institutions.

21 “(8) MODIFICATION.—The term ‘modification’
22 means any Government action that alters the esti-
23 mated cost of an outstanding loan guarantee (or
24 loan guarantee commitment) from the current esti-
25 mate of cash flows, including the sale of loan assets,

1 with or without recourse, and the purchase of guar-
2 anteed loans.

3 “(9) COMMON TERMS.—Except as provided in
4 paragraphs (1) through (9), any term used in this
5 title that is defined in the Communications Act of
6 1934 (47 U.S.C. 151 et seq.) has the meaning given
7 the term in that Act.

8 **“SEC. 502. LOAN GUARANTEES.**

9 “(a) PURPOSE.—The purpose of this title is to enable
10 the Administrator to provide such loan guarantees as are
11 necessary to ensure improved access to the signals of local
12 television stations by multichannel video providers to all
13 households which desire such service in unserved and un-
14 derserved rural areas by December 31, 2006.

15 “(b) ASSISTANCE TO BORROWERS.—Subject to the
16 appropriations limitation under subsection (c)(2), the Ad-
17 ministrator may provide loan guarantees to borrowers to
18 finance projects to provide local television broadcast sig-
19 nals by providers of multichannel video services including
20 direct broadcast satellite licensees and licensees of multi-
21 channel multipoint distribution systems, to areas that do
22 not receive local television broadcast signals over commer-
23 cial for-profit direct-to-home satellite distribution systems.
24 A borrower that receives a loan guarantee under this title
25 may not transfer any part of the proceeds of the monies

1 from the loans guaranteed under this program to an affil-
2 iate of the borrower.

3 “(c) UNDERWRITING CRITERIA; PREREQUISITES.—

4 “(1) IN GENERAL.—The Administrator shall
5 administer the underwriting criteria developed under
6 subsection (f)(1) to determine which loans are eligi-
7 ble for a guarantee under this title.

8 “(2) AUTHORITY TO MAKE LOAN GUARAN-
9 TEES.—The Administrator shall be authorized to
10 guarantee loans under this title only to the extent
11 provided for in advance by appropriations Acts.

12 “(3) PREREQUISITES.—In addition to meeting
13 the underwriting criteria under paragraph (1), a
14 loan is not eligible for a loan guarantee under this
15 title unless—

16 “(A) the loan is made to finance the acqui-
17 sition, improvement, enhancement, construction,
18 deployment, launch, or rehabilitation of the
19 means by which local television broadcast sig-
20 nals will be delivered to an area not receiving
21 such signals over commercial for-profit direct-
22 to-home satellite distribution systems;

23 “(B) the proceeds of the loan will not be
24 used for operating expenses;

1 “(C) the total amount of all such loans
2 may not exceed in the aggregate
3 \$1,250,000,000;

4 “(D) the loan does not exceed
5 \$100,000,000, except that 1 loan under this
6 title may exceed \$100,000,000, but shall not
7 exceed \$625,000,000;

8 “(E) the loan bears interest and penalties
9 which, in the Administrator’s judgment, are not
10 unreasonable, taking into consideration the pre-
11 vailing interest rates and customary fees in-
12 curred under similar obligations in the private
13 capital market; and

14 “(F) the Administrator determines that
15 taking into account the practices of the private
16 capital markets with respect to the financing of
17 similar projects, the security of the loan is ade-
18 quate.

19 “(4) ADDITIONAL CRITERIA.—In addition to
20 the requirements of paragraphs (1), (2), and (3), a
21 loan for which a guarantee is sought under this title
22 shall meet any additional criteria promulgated under
23 subsection (f)(1).

1 “(d) ADDITIONAL REQUIREMENTS.—The Adminis-
2 trator may not make a loan guarantee under this title
3 unless—

4 “(1) repayment of the obligation is required to
5 be made within a term of the lesser of—

6 “(A) 25 years from the date of its execu-
7 tion; or

8 “(B) the useful life of the primary assets
9 used in the delivery of relevant signals;

10 “(2) the Administrator has been given the as-
11 surances and documentation necessary to review and
12 approve the guaranteed loans; and

13 “(3) the Administrator makes a determination
14 in writing that—

15 “(A) the applicant has given reasonable as-
16 surances that the assets, facilities, or equipment
17 will be utilized economically and efficiently;

18 “(B) necessary and sufficient regulatory
19 approvals, spectrum rights, and delivery permis-
20 sions have been received by project participants
21 to assure the project’s ability to repay obliga-
22 tions under this title; and

23 “(C) repayment of the obligation can rea-
24 sonably be expected, including the use of an ap-
25 propriate combination of credit risk premiums

1 and collateral offered by the applicant to pro-
2 tect the Federal Government.

3 “(e) APPROVAL OF NTIA REQUIRED.—

4 “(1) IN GENERAL.—The Administrator may not
5 issue a loan guarantee under this title unless the
6 National Telecommunications and Information Ad-
7 ministration consults with the Administrator and
8 certifies that the issuance of the loan guarantee is
9 consistent with subsection (a).

10 “(2) CERTIFICATION.—The Administrator shall
11 provide the appropriate information on each loan
12 guarantee application recommended by the Adminis-
13 trator to the National Telecommunications and In-
14 formation Administration for certification. The Na-
15 tional Telecommunications and Information Admin-
16 istration shall make the determination required
17 under this subsection within 90 days, without regard
18 to the provision of chapter 5 of title 5, United States
19 Code, and sections 10 and 11 of the Federal Advi-
20 sory Committee Act (5 U.S.C. App.).

21 “(f) REQUIREMENTS.—

22 “(1) IN GENERAL.—Not later than 180 days
23 after the date of enactment of this title, the Admin-
24 istrator shall consult with an independent public ac-
25 counting firm to develop underwriting criteria relat-

1 ing to the issuance of loan guarantees, appropriate
2 collateral and cash flow levels for the types of loan
3 guarantees that might be issued under this title, and
4 such other matters as the Administrator determines
5 appropriate.

6 “(2) AUTHORITY OF ADMINISTRATOR.—In lieu
7 of or in combination with appropriations of budget
8 authority to cover the costs of loan guarantees as re-
9 quired under section 504(b)(1) of the Federal Credit
10 Reform Act of 1990, the Administrator may accept
11 on behalf of an applicant for assistance under this
12 title a commitment from a non-Federal source to
13 fund in whole or in part the credit risk premiums
14 with respect to the applicant’s loan. The aggregate
15 of appropriations of budget authority and credit risk
16 premiums described in this paragraph with respect
17 to a loan guarantee may not be less than the cost
18 of that loan guarantee.

19 “(3) CREDIT RISK PREMIUM AMOUNT.—The
20 Administrator shall determine the amount required
21 for credit risk premiums under this subsection on
22 the basis of—

23 “(A) the circumstances of the applicant,
24 including the amount of collateral offered;

1 “(B) the proposed schedule of loan dis-
2 bursements;

3 “(C) the borrower’s business plans for pro-
4 viding service;

5 “(D) financial commitment from the
6 broadcast signal provider; and

7 “(E) any other factors the Administrator
8 considers relevant.

9 “(4) PAYMENT OF PREMIUMS.—Credit risk pre-
10 miums under this subsection shall be paid to an ac-
11 count established in the Treasury which shall accrue
12 interest and such interest shall be retained by the
13 account, subject to paragraph (5).

14 “(5) COHORTS OF LOANS.—In order to main-
15 tain sufficient balances of credit risk premiums to
16 adequately protect the Federal Government from
17 risk of default, while minimizing the length of time
18 the Government retains possession of those balances,
19 the Administrator in consultation with the Office of
20 Management and Budget shall establish cohorts of
21 loans. When all obligations attached to a cohort of
22 loans have been satisfied, credit risk premiums paid
23 for the cohort, and interest accrued thereon, which
24 were not used to mitigate losses shall be returned to
25 the original source on a pro rata basis.

1 “(g) CONDITIONS OF ASSISTANCE.—A borrower shall
2 agree to such terms and conditions as are sufficient, in
3 the judgment of the Administrator to ensure that, as long
4 as any principal or interest is due and payable on such
5 obligation, the borrower—

6 “(1) will maintain assets, equipment, facilities,
7 and operations on a continuing basis;

8 “(2) will not make any discretionary dividend
9 payments that reduce the ability to repay obligations
10 incurred under this section; and

11 “(3) will remain sufficiently capitalized.

12 “(h) LIEN ON INTERESTS IN ASSETS.—Upon pro-
13 viding a loan guarantee to a borrower under this title, the
14 Administrator shall have liens which shall be superior to
15 all other liens on assets of the borrower equal to the un-
16 paid balance of the loan subject to such guarantee.

17 “(i) PERFECTED INTEREST.—The Administrator and
18 the lender shall have a perfected security interest in those
19 assets of the borrower fully sufficient to protect the Ad-
20 ministrator and the lender.

21 “(j) INSURANCE POLICIES.—In accordance with
22 practices of private lenders, as determined by the Adminis-
23 trator, the borrower shall obtain, at its expense, insurance
24 sufficient to protect the interests of the Federal Govern-
25 ment, as determined by the Administrator.

1 “(k) AUTHORIZATION OF APPROPRIATIONS.—For the
2 additional costs of the loans guaranteed under this title,
3 including the cost of modifying the loans as defined in sec-
4 tion 502 of the Congressional Budget Act of 1974 (2
5 U.S.C. 661(a)), there are authorized to be appropriated
6 for fiscal years 2000 through 2006, such amounts as may
7 be necessary. In addition there are authorized to be appro-
8 priated such sums as may be necessary to administer this
9 title. Any amounts appropriated under this subsection
10 shall remain available until expended.

11 **“SEC. 503. ADMINISTRATION OF LOAN GUARANTEES.**

12 “(a) APPLICATIONS.—The Administrator shall pre-
13 scribe the form and contents for an application for a loan
14 guarantee under section 502.

15 “(b) ASSIGNMENT OF LOAN GUARANTEES.—The
16 holder of a loan guaranteed under this title may assign
17 the loan guarantee in whole or in part, subject to such
18 requirements as the Administrator may prescribe.

19 “(c) MODIFICATIONS.—The Administrator may ap-
20 prove the modification of any term or condition of a loan
21 guarantee including the rate of interest, time of payment
22 of interest or principal, or security requirements, if the
23 Administrator finds in writing that—

24 “(1) the modification is equitable and is in the
25 overall best interests of the United States;

1 “(2) consent has been obtained from the bor-
2 rower and the lender;

3 “(3) the modification is consistent with the ob-
4 jective underwriting criteria developed in consulta-
5 tion with an independent public accounting firm
6 under section 502(f);

7 “(4) the modification does not adversely affect
8 the Federal Government’s interest in the entity’s as-
9 sets or loan collateral;

10 “(5) the modification does not adversely affect
11 the entity’s ability to repay the loan; and

12 “(6) the National Telecommunications and In-
13 formation Administration does not object to the
14 modification on the ground that it is inconsistent
15 with the certification under section 502(e).

16 “(d) PRIORITY MARKETS.—

17 “(1) IN GENERAL.—To the maximum extent
18 practicable, the Administrator shall give priority to
19 projects which serve the most underserved rural
20 markets, as determined by the Administrator. In
21 making prioritization determinations, the Adminis-
22 trator shall consider prevailing market conditions,
23 feasibility of providing service, population, terrain,
24 and other factors the Administrator determines ap-
25 propriate.

1 “(2) PRIORITY RELATING TO CONSUMER COSTS
2 AND SEPARATE TIER OF SIGNALS.—The Adminis-
3 trator shall give priority to projects that—

4 “(A) offer a separate tier of local broad-
5 cast signals; and

6 “(B) provide lower projected costs to con-
7 sumers of such separate tier.

8 “(3) PERFORMANCE SCHEDULES.—Applicants
9 for priority projects under this section shall enter
10 into stipulated performance schedules with the Ad-
11 ministrators.

12 “(4) PENALTY.—The Administrator may assess
13 a borrower a penalty not to exceed 3 times the inter-
14 est due on the guaranteed loan, if the borrower fails
15 to meet its stipulated performance schedule. The
16 penalty shall be paid to the account established
17 under section 502.

18 “(5) LIMITATION ON CONSIDERATION OF MOST
19 POPULATED AREAS.—The Administrator shall not
20 provide a loan guarantee for a project that is pri-
21 marily designed to serve the 40 most populated des-
22 ignated market areas and shall take into consider-
23 ation the importance of serving rural markets that
24 are not likely to be otherwise offered service under

1 section 122 of title 17, United States Code, except
2 through the loan guarantee program under this title.

3 “(e) COMPLIANCE.—The Administrator shall enforce
4 compliance by an applicant and any other party to the
5 loan guarantee for whose benefit assistance is intended,
6 with the provisions of this title, regulations issued here-
7 under, and the terms and conditions of the loan guarantee,
8 including through regular periodic inspections and audits.

9 “(f) COMMERCIAL VALIDITY.—For purposes of
10 claims by any party other than the Administrator, a loan
11 guarantee or loan guarantee commitment shall be conclu-
12 sive evidence that the underlying obligation is in compli-
13 ance with the provisions of the title, and that such obliga-
14 tion has been approved and is legal as to principal, inter-
15 est, and other terms. Such a guarantee or commitment
16 shall be valid and incontestable in the hands of a holder
17 thereof, including the original lender or any other holder,
18 as of the date when the Administrator granted the applica-
19 tion therefore, except as to fraud or material misrepresen-
20 tation by such holder.

21 “(g) DEFAULTS.—The Administrator shall prescribe
22 regulations governing a default on a loan guaranteed
23 under this title.

24 “(h) RIGHTS OF THE ADMINISTRATOR.—

1 “(1) SUBROGATION.—If the Administrator au-
2 thorizes payment to a holder, or a holder’s agent,
3 under subsection (g) in connection with a loan guar-
4 antee made under section 502, the Administrator
5 shall be subrogated to all of the rights of the holder
6 with respect to the obligor under the loan.

7 “(2) DISPOSITION OF PROPERTY.—The Admin-
8 istrator may complete, recondition, reconstruct, ren-
9 ovate, repair, maintain, operate, rent, sell, or other-
10 wise dispose of any property or other interests ob-
11 tained under this section in a manner that maxi-
12 mizes taxpayer return and is consistent with the
13 public convenience and necessity.

14 “(i) ACTION AGAINST OBLIGOR.—The Administrator
15 may bring a civil action in an appropriate district court
16 of the United States in the name of the United States
17 or of the holder of the obligation in the event of a default
18 on a loan guaranteed under this title. The holder of a
19 guarantee shall make available to the Administrator all
20 records and evidence necessary to prosecute the civil ac-
21 tion. The Administrator may accept property in full or
22 partial satisfaction of any sums owed as a result of de-
23 fault. If the Administrator receives, through the sale or
24 other disposition of such property, an amount greater than
25 the aggregate of—

1 “(1) the amount paid to the holder of a guar-
2 antee under subsection (g); and

3 “(2) any other cost to the United States of
4 remedying the default, the Administrator shall pay
5 such excess to the obligor.

6 “(j) BREACH OF CONDITIONS.—The Attorney Gen-
7 eral shall commence a civil action in a court of appropriate
8 jurisdiction to enjoin any activity which the Administrator
9 finds is in violation of this title, regulations issued here-
10 under, or any conditions which were duly agreed to, and
11 to secure any other appropriate relief, including relief
12 against any affiliate of the borrower.

13 “(k) ATTACHMENT.—No attachment or execution
14 may be issued against the Administrator or any property
15 in the control of the Administrator prior to the entry of
16 final judgment to such effect in any State, Federal, or
17 other court.

18 “(l) INVESTIGATION CHARGE AND FEES.—

19 “(1) APPRAISAL FEE.—The Administrator may
20 charge and collect from an applicant a reasonable
21 fee for appraisal for the value of the equipment or
22 facilities for which the loan guarantee is sought, and
23 for making necessary determinations and findings.
24 The fee may not, in the aggregate, be more than
25 one-half of one percent of the principal amount of

1 the obligation. The fee imposed under this para-
2 graph shall be used to offset the administrative costs
3 of the program.

4 “(2) LOAN ORIGATION FEE.—The Adminis-
5 trator may charge a loan origination fee.

6 “(m) ANNUAL AUDIT.—The Comptroller General of
7 the United States shall annually audit the administration
8 of this title and report the results of the audit to the Com-
9 mittee on Agriculture, Nutrition, and Forestry of the Sen-
10 ate and the Committee on Agriculture of the House of
11 Representatives.

12 “(n) INDEMNIFICATION.—An affiliate of the bor-
13 rower shall indemnify the Government for any losses it
14 incurs as a result of—

15 “(1) a judgment against the borrower;

16 “(2) any breach by the borrower of its obliga-
17 tions under the loan guarantee agreement;

18 “(3) any violation of the provisions of this title
19 by the borrower;

20 “(4) any penalties incurred by the borrower for
21 any reason, including the violation of the stipulated
22 performance; and

23 “(5) any other circumstances that the Adminis-
24 trator determines to be appropriate.

1 “(o) SUNSET.—The Administrator may not approve
2 a loan guarantee under this title after December 31, 2006.

3 **“SEC. 504. RETRANSMISSION OF LOCAL TELEVISION**
4 **BROADCAST STATIONS.**

5 “A borrower shall be subject to applicable rights, obli-
6 gations, and limitations of title 17, United States Code.
7 If a local broadcast station requests carriage of its signal
8 and is located in a market not served by a satellite carrier
9 providing service under a statutory license under section
10 122 of title 17, United States Code, the borrower shall
11 carry the signal of that station without charge and shall
12 be subject to the applicable rights, obligations, and limita-
13 tions of sections 338, 614, and 615 of the Communica-
14 tions Act of 1934.”.

○